

LOCAL GOVERNMENT TAX CONTROL BOARD



RECOMMENDATIONS

TO

DEPARTMENT OF LOCAL GOVERNMENT FINANCE

FROM

August 26, 2004

Richard Eckerle called the August 26th Local Government Tax Control Board meeting to order at 9:00am in lieu of James Riehle (President) who arrived a few minutes late.

Attendance

The following Board Members attended the meeting: James Riehle, Pat McGarvey (substituting for Stan Mettler from the State Board of Accounts), Bob Harris, Lisa Acobert and Rich Eckerle.

Discussion

Judy Robertson reported that there was a substantial amount of missing documentations from the units petitioning to appear on today's agenda. She handed out a list, by unit, of all the missing documents.

Recommendation

Bob motioned to recommend approval of the minutes from the July 22nd meeting. Lisa seconded and the motion carried 4-0.

Bob motioned to recommend approval of the 2005 Hearing Schedule for the Local Government Tax Control Board Meetings. Lisa seconded and the motion carried 4-0.

Pike Township, Marion County Emergency Fire Loan

The unit is requesting approval to obtain a township emergency fire loan in the amount of \$3,500,000 for a term of two (2) years in order to finance its Fire Protection Budget for 2004. The anticipated tax rate is .0352 based on an assessed fire valuation of \$4,827,391,130 and an annual levy of \$1,700,000.

Per the following emergency loan calculation, the unit shows a need of:

January 1, 2004 Cash Balance	\$741,352
Plus: 2004 Certified Tax Levy	\$9,036,876
Plus: Estimated 2004 Revenues	<u>\$1,510,540</u>
Total Funds Available 2004	\$11,288,768
Less: Encumbered Appropriations	\$0
Less: Estimated 2004 Expenditures	\$14,701,836
Funds Remaining	(\$3,413,068)

Emergency Loan Requirement	\$3,413,068
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The unit advertised a budget of	\$0
The fiscal body adopted	\$0
The DLGF certified	\$0
Unit's Operating Balance	\$401,991

Taxpayer Objections:

The date of publication for a public hearing was (not given), 2004. A public hearing was held June 15th, 2004. The Notice of Determination was published (not given). The remonstrance period will end thirty days after publication of the Notice of Determination.

Attendance

The following people attended the meeting: Michael A. Claytor (Financial Advisor).

Discussion

The trustee, Lula Patton, is ill this morning and unable to attend the meeting.

The newspaper did not publish the advertisement of a public hearing to discuss the need for an emergency loan. As a result, we have had to start the process over again, beginning with the advertisement of and holding a public hearing. We are doing that at the same time that we are advertising our 2005 budget and will adopt the resolution when we adopt the 2005 budget. The advertising is scheduled for Sept 7th, 2004. We understand we will not receive an approving order until we have completed all the necessary actions and filed the documentation with the DLGF. We wanted to go ahead and come today, anyway, in order to avoid coming in September or October. We know the agenda's fill up very quickly during that time.

They are requesting a loan in the amount of \$3,500,000 for fire protection. Their levy was frozen at the time when the fire department all an all-volunteer force. They are currently in the process of building a new fire station, which will have housing for both male and female firefighters. The current station was built on a flood plain and is landlocked. There is no room to build onto it to provide housing for male and female firefighters. The construction of the station is being funded with the Cumulative Fire Fund. The building of this fire station does not have any "additional" impact on the taxpayers, aside from the already established cumulative fund. However, the new station will require operating funding. Pike Township has for several years budgeted more than allowed under the maximum levy for fire protection.

They sort of hit the wall two years ago, when they were preparing the 2003 budget. An error was made in the budget when the reimbursement of a tax anticipation warrant was not included in their budget needs. The budget was approved at a much higher amount than the township could afford. They could not apply for a "shortfall" appeal because the error was not because of erroneous assessments. On top of that, they were experiencing an eroding cash balance because of the budget over-budgeting.

Their plan is to apply for an emergency loan for three years in row, then request a permanent levy increase via the excessive levy appeal process. This is their second year in the three-year cycle. Next year they will qualify for a permanent appeal to their maximum levy. Last year they were approved for almost \$500,000. They are asking for \$3,500,000 in order to catch up from last year when the budgeting error was made and the submitted budget.

Questions by the Board:

Bob: Are you requesting a two-year term because of the tax rate?

Answer: Yes, though we can pay it back in one year, if you choose to make your motion for only one year. It was the decision of the township board to try to lighten the load on the taxpayers last year by asking for more than they qualified for using the emergency loan calculation. They understand why they could not be approved at the greater amount.

Bob: This is a chunk of money – to go from \$800,000 last year to \$3,500,000 this year – and you have already said you will be coming back next year for another emergency loan. I am concerned for your taxpayers because you will be making the payments on two emergency loans, plus an increase from the excessive levy appeal – all in one year.

Answer: We are open to any options the Board might recommend.

Lisa: Does an elected board approve your emergency loans?

Answer: Yes – our Board has seven members, not the normal three for a township.

Recommendation

Bob motioned to recommend tabling the issue until all required documentation has been filed with the Department of Local Government Finance. Lisa seconded and the motion carried 5-0.

Gregg Township, Morgan County Emergency Fire Loan

The unit is requesting approval to obtain a township emergency fire loan in the amount of \$75,000 in order to finance a fire protection contract agreement with the Gregg Township Fire Department. The anticipated tax rate is .0579 based on an assessed fire valuation of \$125,000,000 and an annual levy of \$72,430.

Per the following emergency loan calculation, the unit shows a need of:

January 1, 2004 Cash Balance	\$7,338
Plus: 2004 Certified Tax Levy	\$12,308
Plus: Estimated 2004 Revenues	<u>\$11,102</u>
Total Funds Available 2004	\$30,748
Less: Encumbered Appropriations	\$0
Less: Estimated 2004 Expenditures	\$102,500
Funds Remaining	(\$71,752)

Emergency Loan Requirement	\$71,752
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The unit advertised a budget of	\$100,000
The fiscal body adopted	\$100,000
The DLGF certified	\$ 24,907
The unit's Operating Balance	\$ 0

Taxpayer Objections:

The date of publication for a public hearing was March 13th, 2004. A public hearing was held March 23rd, 2004. The Notice of Determination was published April 3rd, 2004. The Auditor Certified No Remonstrance on May 5th, 2004.

Attendance

The following people attended the meeting: Stephen Buschmann (Attorney), Newton G. Talley (Trustee), Eric Reedy (Accountant), Mark Greatbatch (Firefighter), David Reese (Fire Chief).

Discussion

The unit distributed a hand-out which detailed the following points:

- Publication Dates
- 2% Debt Limitation
- Township Growth
 - Population
 - Emergency Responses
- Tax Rate
 - Current Rate
 - Comparison to surrounding townships
 - Tax Rate impact of current loan request
 - Projected 2004 property tax impact
- National Fire Protection Association Standards
- History of Emergency Loans
 - 2003 was their first year to request and have approved an emergency loan
- Revised Emergency Loan calculation based on 1782 Notice
 - Shows a need of \$79,777

Questions by the Board:

Bob: What is the discrepancy in the Misc. Revenue from our certified amount to what you are using?

Answer: Not sure – probably certified shares – they are basing their amount from the 1782 Notice.

Bob: Are your certified shares put in the fire fund?

Answer: No, all of it goes into the general fund.

Bob: My only concern is that they are not using their certified shares to help out their fire fund, even though they are allowed to do what they are doing. They are putting all of the \$15,000 from certified shares into their General Fund, which has an operating balance of \$58,000 and is doing great and not putting it into their Fire Fund, which is in big trouble.

Eric: What the township has asked him is if they could use that operating balance to fund fire protection with. He just started working with the unit a couple of weeks ago.

James: Why the increase in the amount of the loan from last year?

Answer: They are transforming from a rural community to a sub-urban type community.

James: Are your firefighters paid?

Answer: No, they are all volunteers except for two paid stand-by personnel that are on call Monday-Friday for eight hours a day. Gregg Township covers one-fourth to one-fifth of Morgan County.

Recommendation

Rich motioned to recommend approval of an emergency fire loan in the amount of \$75,000. Lisa seconded and the motion carried 5-0.

Town of Jamestown, Boone County Fire Equipment, Apparatus, and Building Loan

The unit is requesting approval to obtain a fire loan in the amount of \$65,857 for a term of four (4) years. Proceeds of the loan will be used to make the balloon payment of a previously obtained loan. The loan was obtained in order to purchase a fire truck, with the understanding (and notice of commitment) from their State Legislator, approving \$40,000 in Build Indiana Funds that were later frozen. The anticipated tax rate is estimated to be .2572 based on a fire assessed value of \$25,600,000 and an annual levy of \$65,857.

Taxpayer Objections:

There was no notification given to the taxpayers, no public hearing held, and no Notice of Determination published.

Attendance

The following people attended the meeting: Richard A. Caldwell (Town Board), Joe E. Thomas (Town Council), Linda M. Isenhower (Clerk Treasurer), Dennis G. Isenhower (Marshal), James L. Heiston II (Fire Chief), Jeff Thompson (State Representative #28), Lawrence Giddings (Town Attorney).

Discussion

We are in front of you today asking for approval of a loan in the amount of \$65,857. We bought a new fire truck. We purchased it in 2002. We came up with our part of the funds, but then fell short because the State of Indiana froze the Build Indiana Funds. We did not receive the \$40,000 we were approved for. We now have a balloon payment, due next year, and do not have the funds to make that payment. We use that fire truck for fire protection in the City and the Township also.

Questions by the Board:

James: Do you already have the truck?

Answer: Yes, we started the process by ordering the truck when we received the letter approving the \$40,000 in Build Indiana funds. We put up \$55,800 toward the chassis and the truck was already in the process of being built when we received the second letter saying we was not going to get the \$40,000. The Township gave us \$10,000 upon delivery of the truck. We are still going to fall short of the funds needed.

Rich: Why are you asking for \$65,857 when you only lost \$40,000 in Build Indiana funds?

Answer: The difference is the \$40,000 plus the yearly payment that we need to make that is due in 2005. That is the amount we will fall short.

Bob: What was the total price of the truck?

Answer: \$154,000.

Bob: Have you been making the payments, up to now, out of your General Fund?

Answer: Yes.

Bob: So was this balloon payment a part of the original payment plan?

Answer: Yes.

Bob: You have on your hearing information sheet a four-year term, but you really need it for only one year – 2005, right?

Answer: Yes.

Bob: Why didn't you come before this Board and ask for a property tax backup, or a debt fund first – before you bought the truck?

Answer: We were not aware that we could do this – come before the Board and request a loan.

Bob: When is the balloon payment due?

Answer: October 10th.

Bob: Then you will still be making you payment late, even if you receive approval for this loan, since you will not receive any tax revenue until December, correct?

Answer: Yes.

There was then a discussion between the Board Members about the missing documentation and the options available to the unit, since they did not advertise the loan, or hold a public hearing and adopt a resolution. Also discussions between what the DLGF field representative might have told the unit, the information received from our office, the unit's understanding of the loan procedures, and what was actually done three years ago to inform the taxpayers what they were doing.

Lisa: What will happen if you do not receive approval for this loan?

Answer: We will have to ask the bank to re-finance the loan for a term that will meet our budget.

Recommendation

Rich motioned to recommend to favorably pass this issue on to the DLGF Commissioner for resolution of their problem since we are only a recommending body. Let the DLGF figure out how to help these people. James seconded and the motion carried 4-1. Bob opposed the motion.

Jefferson Township, Owen County Emergency Fire Loan

The unit is requesting approval to obtain a township emergency fire loan in the amount of \$5,000 in order to finance the amount of the increase in the signed fire protection contract agreement. The anticipated tax rate is .0143 based on an assessed fire valuation of \$37,254,385 and an annual levy of \$5,350.

Per the following emergency loan calculation, the unit shows a need of:

January 1, 2004 Cash Balance	\$0
Plus: 2004 Certified Tax Levy	\$5,075
Plus: Estimated 2004 Revenues	<u>\$6,346</u>
Total Funds Available 2004	\$0
Less: Encumbered Appropriations	\$0
Less: Estimated 2004 Expenditures	\$6,500
Funds Remaining	(\$0)

Emergency Loan Requirement	\$0
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The unit advertised a budget of	\$6,500
The fiscal body adopted	\$6,500
The DLGF certified	\$6,500
Unit's Operating Balance	\$5,323

Taxpayer Objections:

The date of publication for a public hearing was May 17th, 2004. A public hearing was held May 27th, 2004. The Notice of Determination was published May 28th, 2004. The Auditor Certified No Remonstrance on June 28th, 2004.

Attendance

The following people attended the meeting: Mary Frances Hochstetler (Trustee/Assessor).

Discussion

Requesting an emergency loan in the amount of \$5,000 in order to increase their contract amount with Jefferson Township-Coal City Fire Department.

Questions by the Board:

James: Is that all you need - \$5,000?

Answer: Yes.

Bob: It looks from your paperwork that all your certified shares are being put in the fire fund, is this right?

Answer: Yes.

Bob: Did any taxpayers attend the public hearing?

Answer: There were eight in the first meeting – no one objected. They were more concerned about how the money was being used and where the money was going.

Bob: Do you intend coming next year for another emergency loan?

Answer: Yes – they need to increase their levy.

Bob: So you are planning on doing emergency loans for three years in a row?

Answer: Yes.

There followed a discussion on the needs of the unit. They did not complete the hearing information sheet and we needed their financial data to calculate the emergency loan amount they needed. After calculating the need, the unit did not show a shortfall of \$5,000, so Bob discussed the issue further with the Trustee in order to arrive at the true need of the Township.

Recommendation

Bob motioned to recommend an emergency fire loan in the amount of \$5,000. Rich seconded and the motion carried 5-0.

Washington Township, Warren County Maximum Levies

The unit is requesting a maximum levy to be established at an unknown rate. The previous Trustee passed away on May 9th and Donna Lyon was appointed as Trustee on June 10th, 2004. They are currently working with no levies on any of their funds.

The unit's advertised and adopted budgets for 2004:

General	\$15,650
Township Assistance	\$19,200
Fire	\$ 6,500

Taxpayer Objections

No information has been given.

Attendance

The following people attended the meeting: Donna Lyon (Trustee), Nancy J. Litzenberger (Attorney).

Discussion

They do not have any levies because the prior trustee was being conservative and operating from excessive cash balances. Then Senate Bill 1 was passed, and the result is that they have no levies and now they are in need of them.

Questions by the Board:

Bob: Do you know what the last approved maximum levy and budgets were?

Answer: No, they only brought the 2003 paperwork with them that shows zero levies.

The previous Trustee actually passed a budget with no levies in 2003.

Bob: The only concern is that you gave yourself a nice operating balance. Are you trying to make up the shortfall from this year?

Answer: Yes.

The Trustee thought that it was this year's levy that would be re-instated – not next years.

Recommendation

Bob motioned to recommend a civil maximum levy of \$34,850 and a fire maximum levy at \$6,500. Rich seconded and the motion carried 5-0.

Franklin Township, Grant County Emergency Poor Relief Loan

The unit is requesting approval to obtain a township emergency poor relief loan in the amount of \$150,000. Both the County Commissioners and the Council denied their request for a loan.

This County has not been certified for 2004.

Taxpayer Objections:

The date of publication for a public hearing was July 16th, 2004. A public hearing was held July 29th, 2004. The Notice of Determination was published August 5th, 2004. The Auditor's Certificate of No Remonstrance will be due on September 5th, 2004.

Attendance

The following people attended the hearing: Kenneth D. Carmichael (Township Investigator), Judith Carmichael (Trustee).

Discussion

They are here to ask for a \$150,000 loan for Poor Relief. They were here last year to request a loan for \$100,000 but were only approved for \$22,300 based on the emergency loan calculation.

Questions by the Board:

Lisa: Have you been certified for 04 yet?

Answer: No.

Bob: What was your Poor Relief budget approved at for 03?

Answer: \$66,500.

Bob: What is your proposed budget for 2004?

Answer: \$86,800.

Bob: We can't calculate your need until your 2004 budget is certified. Our only option is to approve the Poor Relief loan based on needs, after they have been certified for 2004.

Recommendation

Bob motioned to recommend an Emergency Poor Relief loan in an amount to cover their needs after the 2004 budget has been certified. Rich seconded and the motion carried 5-0.

Union Township, White County Fire Equipment, Apparatus, and Building Loan

The unit is requesting approval to obtain a township fire equipment, apparatus, and building loan in the amount of \$194,953 for a term of six years. Proceeds of the loan will be used to purchase new fire department tanker, which will replace a 1984 tanker that is mechanically unsound and has significant rust damage. The anticipated tax rate is .0410 based on an assessed fire valuation of \$182,780,838 and an annual levy of \$75,000.

The Hearing Information Sheet was received from the unit at the hearing.

Taxpayer Objections:

The Date of Publication for a Public Hearing was April 21st, 2004. A Public Hearing was held on May 3rd, 2004. The Notice of Determination was published May 5th, 2004. The Auditor certified No Remonstrance on June 29th, 2004.

Attendance

The following people attended the meeting: Erwin D. Cook (Trustee), Robert W. Hickman (Board President)

Discussion

They are here to seek approval of a fire loan in order to purchase a new tanker for the fire department.

Questions by the Board:

Bob: What are you going to do with the old tanker?

Answer: They are going to try to sell it. They had another fire department interested in it until they seen the extensive rust damage, then they were no longer interested in it.

Bob: Is you housing sufficient for the new truck?

Answer: Yes, it is plenty big enough.

James: How many fire vehicles do you have?

Answer: Nine different trucks, but only one tanker.

Bob: Did any taxpayers show up at your public meetings?

Answer: Only one –his concern was over the way we were using our Cumulative Fire Fund. After discussions, he had no other objections or concerns.

Recommendation

Bob motioned to recommend a fire equipment, apparatus, and building loan in the amount of \$194,953 for a term of six (6) years, pending approval from the Fire Marshal. Lisa seconded and the motion carried 5-0.

Mitcheltree Township, Martin County Maximum Levies

The unit is requesting a maximum levy to be established for the General Fund at \$15,955; for the Township Assistance Fund at \$8,700; and for the Fire Fund at \$3,000.

The previous trustee failed to advertise and adopt a budget in 2002 pay 2003. As a result of Senate Bill 1, that sets their 2004 maximum levy at zero for all funds.

Taxpayer Objections

No information received.

Attendance

The following people attended the meeting: No one. The trustee, Carrie Gabhart, called the DLGF office saying that she was not going to make the meeting, but please act on her request if possible.

Discussion

Bob informed the other Board Members that he was aware of this unit and they were in need. Bob also stated that he had no problems with the submitted documentation.

Recommendation

Bob motioned to recommend a Civil maximum levy of \$24,655 and a maximum fire levy of \$3,000. Rich seconded and the motion carried 5-0.

City of Peru, Miami County General Obligation Bonds

The unit is requesting approval to issue general obligation bonds in the amount of \$1,580,000 for a term not to exceed ten (10) years. Proceeds of the bonds will be used for the repair and/or improvements of certain projects: the paving of streets; replacement of various curbs; West Main Street; storm water; City Hall; and new furniture for the City Hall. The anticipated tax rate is estimated to be .0942 based on an assessed value of \$237,252,370 and an annual levy of \$223,499.

Taxpayer Objections:

The date of publication for a public hearing was June 25th, 2004. A public hearing was held July 5th, 2004. The Notice of Determination was published July 9th, 2004. The Auditor certified No Remonstrance on August 2nd, 2004 (certification not timely).

Attendance

The following people attended the meeting: Jim Walker (Mayor), Jackquan Gray (Clerk Treasurer), Bruce Embrey (City Attorney) Eric Reedy (Financial Advisor), Brian Burdick (Bond Counsel with Barnes & Thornburg).

Discussion

The unit distributed a handout, which details the following points:

- Public Hearings and additional Council meetings on the Bond Issue
- Current City Hall Lease debt pays off early next year
- Property Tax impact
 - For this project
 - Effect of Annexations
 - Currently selling County Hospital
- Decrease in Local Road & Street Fund
- Streets needing improvements
 - Have not been milled or had any major improvements in 20-30 years
 - Significant flooding because of no or deteriorated curbs
- City Hall has had no major improvements in its 20-year history

- Storm Water Improvements
- Importance of Project
- Pictures depicting condition of streets, curbs and sidewalks, including flooded areas.

There are eighty-seven (87) streets in dire need of repair. The City has lost MVH funds for the last several years. The current bond issue, originally obtained for the building of the City Hall, will be paid off after this year.

A second project that will be completed in the future, but which the engineering fees have been included in this bond issue request, is the “West Main Street” Project. The City is currently working with INDOT to repair Storm Sewers, pavements, street lighting, etc from the Main Street Intersection to Kelly Av – all of which encompasses the “business” district. The current project is working on residential areas. The end result will be an improvement to the quality of homes and lives of those living in the improvement area.

Questions by the Board:

James: Have you had a lot of public hearings on the project and has there been any objections?

Answer: Yes, we have and after explaining the projects in their entirety, there were no more objections. For the most part, there is widespread support. We receive numerous calls every week asking us to come and fix a pothole.

James: Do you have a Master Plan you are working from to repair streets or, if not, how are the streets selected for repair?

Answer: We conducted a street study and we chose the eighty-seven worst streets for immediate repair. The others will be sealed for now.

Rich: Will the City be paying to put the curbs in?

Answer: Yes – some people simply could not afford to pay for it themselves. This way, everyone will benefit from the improvements. It will be up to the homeowner to maintain the curbs.

Bob: The Auditor’s Certificate of No Remonstrance was not timely; can you get us another one?

Answer: No Problem.

James: Are you going to reuse the old asphalt when you mill it?

Answer: Yes, we are going to try to. We have a business in the City that is willing to take the asphalt and has the capability to reuse it.

Recommendation

Rich motioned to recommend a bond issue in the amount of \$1,580,000 for a term not to exceed ten (10) years. Lisa seconded and the motion carried 5-0.

**Wabash Carnegie Public Library, Wabash County
General Obligation Bonds**

The unit is requesting approval to issue general obligation bonds in the amount of \$870,000 for a term not to exceed five (5) years. Proceeds of the bonds will be used to correct certain site and moisture problems affecting the Library, and fundamental interior renovations and repairs. The anticipated tax rate is estimated to be .0463 based on an assessed value of \$420,907,660 and an annual levy of \$195,000.

Taxpayer Objections:

A public hearing was held June 2nd, 2004. A public hearing was held June 15th, 2004. The Notice of Determination was published (unknown). The Auditor's certificate of No Remonstrance has not been received.

Attendance

The following people attended the meeting: Joanna Strode (Director), Richard Knafer (Board Member), Kurt Bachman (Bond Counsel), Dan Kramer (Financial Advisor).

Discussion

Their request is for \$870,000 in order to renovate their library. The building is 101 years old. There was an addition built in 1932. The condition of the library is one of deterioration and overcrowded. They commissioned a space study in 1999 and the result showed that they need an additional 4,000 sq. ft. In 2003 there was a bad rainstorm that devastated the library building. There was extensive water damage to the foundation and basement areas. There are currently no perimeter drains to funnel water away from the building. They also need to install a new roof and piping in order to keep water moisture out of the library.

In March of 2004, the determination was made to renovate the outside. In May, the plan was expanded to include the inside as well, and it also limited the bond issue to \$870,000 for a term of five years. They will use library funds to cover the rest of the needed funding. They are going to upgrade the inside and install handicap accessible restrooms.

They have had no taxpayers show up at their meetings and there have been no objections.

Questions by the Board:

Lisa: Does the 5% increase in budget apply to debt issues?

Answer: No – the 5% is for operating budgets only.

Bob: Can you explain the Common Construction Wage issue and why both the representative from the Governor's Office and the Union abstained from signing the wage scale?

Answer: We have no idea why they abstained from signing their own wage scale. We are as clueless and in the dark as you. It does show on the State's website that this is the approved scale. After the Wage hearing, I had the Library Board have a meeting and adopted what was "passed" at the Wage hearing, so there would be no confusion about what scale was adopted.

James: Will you need to acquire any land or additional sites?
Answer: No, repairs to the current building and landscaping only.

Rich: Will the updates correct the flooding problems?
Answer: Yes.

Recommendation

Rich motioned to recommend a General Obligation Bonds issue in the amount of \$870,000 for a term not to exceed five (5) years. Lisa seconded and the motion carried 5-0.

Iroquois Conservancy District, Jasper & Newton Counties Maximum Levies

The unit is requesting a maximum levy to be established at \$156,200. This unit was established on June 6th, 1960.

Taxpayer Objections

Ordinance signed July 30th, 2004 to establish a levy for the Conservancy District.

Attendance

The following people attended the meeting: Edward P. Dumas (Attorney) and Dale E. Lehe (Secretary & Treasurer for District).

Discussion

They were established to maintain the Iroquois River as it runs through Jasper County. A rate was established in the early 1960's just to collect enough funds to maintain the River, removing log jams and such, then was discontinued after a few years. In 2003 there was a major flood that disrupted the flow of the River. They are now requesting a rate of \$0.05 in order to raise the \$350,000 needed to repair areas around the River that is flowing into farmers crops and to remove significant log jams. The high operating balance they are requesting is to cover permit fees needed from IDEM and engineering fees, etc over the next few years in order to complete the repairs necessary to return the River to normal flow.

Questions by the Board:

Bob: We typically approve levies based on what is needed for that year, not what will be needed in future years. As you prepare your budget each year, your levy will increase as needed to cover that year's needs, especially since Conservancies do not have maximum levies. We will usually allow you a small operating balance.

James: Have you had any public hearings on the budget?

Answer: Not only on the budget, but also on the Master Plan to repair the River route. No has showed up at any of the meetings.

James: How did you arrive at the \$150,000?

Answer: It is just an estimate on what we think we need.

James: How many miles of River do you cover?

Answer: 47 miles – from the west line of Jasper County to the Illinois State line.

Recommendation

Bob motioned to recommend a need driven levy of \$80,000. Lisa seconded and the motion carried 5-0.

Elkhart County Unit, Elkhart County Lease

The unit is requesting approval to enter into a lease in the aggregate amount of \$25,850,000 with maximum annual lease rental payments of \$6,297,400 and to issue General Obligation Bonds in the amount of \$57,700,000. Proceeds from the lease and bond issue will be used for the acquisition, construction, installation and equipping of certain corrections facilities and buildings related thereto. The unit does not expect to impose a tax rate but expects to use Special CAGIT revenue to repay the debt issues. The anticipated tax rate, if CAGIT revenue is insufficient, is .0691 based on an assessed value of \$8,661,632,190 and an annual levy of \$5,987,272. The unit is over their 2% debt limitation based on the 2004 assessed value of \$8,350,945,050. The 2% limit value is \$55,672,967. This is an uncontrolled project. This project has been ordered by the United States District Court.

Taxpayer Objections:

The date of publication for a public hearing was July 22nd, 2004. A public hearing was held on August 2nd, 2004. The Notice of Determination was published (unknown), 2004. The Auditor Certificate of No Remonstrance is not available yet.

Attendance

The following people attended the meeting: Phil Neff (County Commissioner), Michael DeBoni (County Attorney), John Letherman (County Council), Tom Byers (County Administrator), Kirk E. Grable (Barnes & Thornburg, Bond Counsel), Mike Books (County Sheriff), Todd Samuelson (Umbaugh, Financial Advisor), Jim Merten (City Securities, Bond Underwriter), Bill Shepler (PMSI Inc), John Staley (DLZ Indiana, LLC), and Al Bennett (Bennett Associates).

Discussion

They had a population in 1980 of 135,000; in 1990, it was 156,000; in 2000, it was 185,000. As their population has grown, the demographics and mix of their County has changed. This has

caused more business for the Sheriff and is causing the jail to be very overcrowded. They have tried many things over the last few years to try and utilize the facility they have to alleviate the overcrowded conditions. They have transformed the recreational area and a storage area into bed space. This has caused them to get in trouble because they are now out of compliance to jail standards. They have also built a 150-bed work release center.

Not only is there a space issue, but there is a funding issue as well. They received a special CAGIT rate to pay for the jail project. This does not set well with them because they are a pay-as-you-go County, but they have run out of options and it was necessary to get the Special CAGIT rate in order to build a new jail and come into compliance with jail standards. Also, they have been sued by the Civil Liberties Union and in order to stay the suit, they must move forward with the building of a new jail complex. In 1999, they established a ten-year master highway plan; in 2002, they established a five-year rolling capital improvement plan, not it is time for them to take care of jail issue.

They have looked not only at how to build a new facility, but also how to fund, maintain, and operate it.

V.P. of County Commissioners: The Board of Commissioners voted approval for both the bonding issue and the leasing terms by a vote of 2-1. The one person opposed to it was defeated in the last election. In my opinion, the problem with the jail is an extreme emergency that needs to be resolved.

Sheriff: Recited a history of the jail and the measures taken to alleviate the overcrowded conditions. Their bed capacity has increased from 178 twenty years ago to the current 301 capacity. They have had several renovations and transformed many non-bed areas to bed space. That was when they were sued, when they transformed the recreational area into bed space. It is time they do something.

They arrived at an agreement that set a stipulation in order to stay the lawsuit, and that was to go forward with the building of a new jail. One of the major issues during elections has been the jail problem issue. The current facility is land-locked and is in poor condition itself. It is not a nice place to work or stay in. They have County-owned land that they can be utilized for the new jail.

The new jail complex will have several different areas:

- Utility Storage area detached from the main center that will house the power grids and utilities equipment.
- Warehouse to store additional equipment and supplies
- Core Services for intake, booking, will also house the kitchens, courts, etc.
- Minimum Security Pod
- Medium Security Pod
- Maximum Security Pod

Todd Samuelson then went over the documentation pertaining to the coverage from Special CAGIT revenues to the expenditures needed for both the bond and lease issue.

One note of interest is that they are building the new jail next to the landfill site. Methane gas from the landfill will be used to heat the complex and so save them several hundreds of thousands dollars a year in utility costs.

There has never been any organized opposition.

Questions by the Board:

James: Will you need to acquire more land to complete the project?

Answer: No, we have owned these forty acres for over twenty years. It is big enough to support their plans.

James: Is the landfill closed?

Answer: No, it is still an active landfill, very operational for several years to come.

Lisa: Discussed operational funding needed – will you go for a levy increase through the Operation of a New Jail excessive levy appeal?

Answer: No, they should not need to. The new design is more efficient and less labor-intensive. The use of the newest technology available should alleviate the need for additional operating costs to run the new facility. They have established a five-year schedule of hiring and the matching funds needed to cover the increased expenses.

Bob: According to the hearing information sheet, your 2% bond limitation is \$55,000,000 and it looks like that was based on 2003 assessed values. Since then, Elkhart County has been certified for 2004 and you 2% bond limit is now at \$55,679,967 – are you ok with that?

Answer: Yes, we understand.

Recommendation

Bob motioned to recommend a general obligation bond issue in the amount of \$55,679,967 and a lease in the amount of \$25,850,000 with maximum annual lease payments of \$6,300,000 for a term of twenty (20) years. Lisa seconded and the motion carried 5-0.

Patoka Township, Gibson County Emergency Fire Loan

The unit is requesting approval to obtain a township emergency fire loan in the amount of \$139,397 to restore the budget to the board-approved budget and add two additional firefighters. The anticipated tax rate is .0490 based on an assessed fire valuation of \$269,629,559 and an annual levy of \$132,000.

Per the following emergency loan calculation, the unit shows a need of:

January 1, 2004 Cash Balance	\$134,267
Plus: 2004 Certified Tax Levy	\$500,702

Plus: Estimated 2004 Revenues	\$55,836
Total Funds Available 2004	\$690,805
Less: Encumbered Appropriations	\$0
Less: Estimated 2004 Expenditures	\$830,202
Funds Remaining	(\$139,397)

Emergency Loan Requirement	\$139,397
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The unit advertised a budget of	\$659,822
The fiscal body adopted	\$659,822
The DLGF certified	\$577,091 (Difference of \$82,731)

Taxpayer Objections:

The date of publication for a public hearing was July 20th, 2004. A public hearing was held July 30th, 2004. The Notice of Determination was published August 2nd, 2004. The remonstrance period will end September 2nd, 2004.

Attendance

The following people attended the meeting: Steve Dyson (Consultant), Neil Moody (Trustee), and Troy Moody (Fire Chief).

Discussion

This is their second year to request an emergency loan. In the last few years, there have been several major industries move into the area that has changed the profile of their township. They would like to hire two new firefighters in order to meet the two-in, two-out National Fire Protection Association standards. The hiring of two new firefighters would also insure coverage during vacation times.

One of the major industries is Toyota with several supply companies popping up beside them – tire stores, supply stores, etc. Their runs have increased by 70 runs from 2003 to 2004 already. They average 40 runs per month. They have approximately 20 volunteers that help out.

Questions by the Board:

Pat: Are you going to remain a partly paid force with volunteers or are you intending to become an all-paid force?

Answer: We will remain a partly paid, partly volunteer force.

Rich: Do you have an emergency medical unit?

Answer: No, we are a first responder unit only.

They have three stations with one of them being manned, the other two are satellite stations.

Bob: Are you planning on doing an excessive levy appeal next year?
Answer: Yes.

Recommendation

Rich motioned to recommend an emergency fire loan in the amount of \$139,397. Lisa seconded and the motion carried 5-0.

Center Township, Hancock County Emergency Fire Loan

The unit is requesting approval to obtain a township emergency fire loan in the amount of \$50,000 in order to fund the operation of the fire department in order to provide fire protection service. The anticipated tax rate is .0146 based on an assessed fire valuation of \$313,740,190 and an annual levy of \$45,300.

Per the following emergency loan calculation, the unit shows a need of:

January 1, 2004 Cash Balance	\$?
Plus: 2004 Certified Tax Levy	\$74,043
Plus: Estimated 2004 Revenues	<u>\$400</u>
Total Funds Available 2004	\$?
Less: Encumbered Appropriations	\$?
Less: Estimated 2004 Expenditures	\$28,515
Funds Remaining	(\$?)

Emergency Loan Requirement	\$?
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The unit advertised a budget of	\$193,110
The fiscal body adopted	\$193,110
The DLGF certified	\$ 28,515

Taxpayer Objections:

The date of publication for a public hearing was June 24th, 2004. A public hearing was held July 6th, 2004. The Notice of Determination was published July 14th, 2004. The Auditor's Certificate of No Remonstrance is not yet available.

Attendance

The following people attended the hearing: Jeffery J. Lowder (Trustee) and Dwain Laird (Consultant).

Discussion

They contract for fire service with the City of Greenwood.

Questions by the Board:

Bob: Did any taxpayers show up at the meeting and has there been any opposition?
Answer: No.

Recommendation

Bob motioned to recommend an emergency fire loan in the amount of \$46,280. Rich seconded and the motion carried 5-0.

Warren Township, Marion County Emergency Fire Loan

The unit is requesting approval to obtain a township emergency fire loan in the amount of \$1,900,000 in order to finance personal services expenses for the fire department. The anticipated tax rate is .0498 based on an assessed fire valuation of \$2,986,372,860 and an annual levy of \$1,488,000.

Per the following emergency loan calculation, the unit shows a need of:

January 1, 2004 Cash Balance	\$1,053,910
Plus: 2004 Certified Tax Levy	\$6,086,228
Plus: Estimated 2004 Revenues	<u>\$2,474,970</u>
Total Funds Available 2004	\$9,621,108
Less: Encumbered Appropriations	\$273,103
Less: Estimated 2004 Expenditures	\$10,721,360
Funds Remaining	(\$1,373,355)

Emergency Loan Requirement	\$1,373,355
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The unit advertised a budget of	\$10,721,360
The fiscal body adopted	\$10,721,360
The DLGF certified	\$ 8,862,341

Taxpayer Objections:

The date of publication for a public hearing was June 11th, 2004. A public hearing was held June 22nd, 2004. The Notice of Determination was published June 25th, 2004. The Auditor Certified No Remonstrance on August 5th, 2004.

Attendance

The following people attended the hearing: Brian Bosma (Attorney), Tom Marendt (Trustee), Brian Sanford (Fire Chief), Joe Phillips (Union), and Steve Dyson (Consultant).

Discussion

The unit distributed a handout that detailed the following major points:

- Profile of Warren Township
- Major Interstate Properties
- Run Response Increase
- History of Emergency Loan Requests and Budget cuts
- Future hiring plans of the unit
- Raises given
- Operating Balance and Overall Budget
- Response Comparisons from 1996-2003
- Business and Housing Information
- Fire Response Breakdown
- Comparison to 2nd class cities
- Fire Related budget and tax rates comparison

They are requesting a smaller amount this year than they did last year. In 2002, they did not ask for an emergency loan. They do not anticipate coming next year for the funding to hire new firefighters. They are the third fastest growing Township in the County.

Questions by the Board:

Lisa: You gave your firefighters a 3% raise – what did you cut in order to do that?

Answer: We decided not to hire new firefighters in order to give raises to the current employees.

Bob: The misc. revenue you are using in your emergency loan calculation is different than what the DLGF certified you at – do you know what the difference is?

Answer: We used \$1,03,000 for COIT instead of what was certified. That COIT figure we used is a more accurate number based on what we know now.

James: How did you decrease your pension expense?

Answer: In 2003, we paid five payments instead of four. This year, it went back to four payments.

Recommendation

Rich motioned to recommend an emergency fire loan in the amount of \$1,522,115. Lisa seconded and the motion carried 5-0.